

II.4.3 Balance Sheet

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II.4.3.1 Introduction:

The balance sheet presents, as of a specific time, amounts of future economic benefits owned or managed by the reporting entity (assets), amounts owed by the entity (liabilities), and amounts which comprise the difference (net position).

The balance sheet displayed in Section II.4.3.2 illustrates a two-column format to allow the user to make appropriate comparisons with prior period. Reporting entities preparing financial statements in accordance with this Circular may present similar information or may present information in separate columns for their primary components, e.g., bureaus or major lines of business.

Combine entity and non-entity assets on the face of the balance sheet and disclose non-entity assets in the footnotes. Combine liabilities covered by budgetary resources and liabilities not covered by budgetary resources on the face of the balance sheet. Disclose liabilities not covered by budgetary resources in the footnotes.

See Note 21 and SFFAS 27 *Identifying and Reporting Earmarked Funds* for more details on earmarked funds. The Illustrative Balance Sheet shows the portion of cumulative results of operations and unexpended appropriations for earmarked funds separately from all other funds on the face of the balance sheet. Based on SFFAS 27 requirements, prior periods shall not be restated in the initial year of implementation (FY 2006). For the purposes of earmarked funds, FY 2005 should not be restated. Also, the provisions of SFFAS 27 need not be applied to immaterial items.

II.4.3.2 Illustrative Statement - Balance Sheet

Department/Agency/Reporting entity		
BALANCE SHEET		
As of September 30, 2xxx (CY) and 2xxx (PY)		
(in dollars/thousands/millions)		
	2xxx (CY)	2xxx (PY)
Assets (Note 2):		
Intragovernmental:		
1. Fund balance with Treasury (Note 3)	\$ xxx	\$ xxx
2. Investments (Note 5)	xxx	xxx
3. Accounts receivable (Note 6)	xxx	xxx
4. Loans receivable	xxx	xxx
5. Other (Note 12)	<u>xxx</u>	<u>xxx</u>
6. Total intragovernmental	xxx	xxx
7. Cash and other monetary assets (Note 4)	xxx	xxx
8. Investments (Note 5)	xxx	xxx
9. Accounts receivable, net (Note 6)	xxx	xxx
10. Taxes receivable, net (Note 7)	xxx	xxx
11. Direct Loan and Loan Guarantees, net (Note 8)	xxx	xxx
12. Inventory and related property, net (Note 9)	xxx	xxx
13. General property, plant and equipment, net (Note 10)	xxx	xxx
14. Other (Note 12)	<u>xxx</u>	<u>xxx</u>
15. Total assets	\$ <u>x,xxx</u>	\$ <u>x,xxx</u>
16. Stewardship PP&E (Note 11)		
Liabilities (Note 13):		
Intragovernmental:		
17. Accounts payable	\$ xxx	\$ xxx
18. Debt (Note 14)	xxx	xxx
19. Other (Notes 15, 16 and 17)	<u>xxx</u>	<u>xxx</u>
20. Total intragovernmental	xxx	xxx
21. Accounts payable	xxx	xxx
22. Loan guarantee liability (Note 8)	xxx	xxx
23. Debt held by the public (Note 13)	xxx	xxx
24. Federal employee and veteran benefits (Note 15)	xxx	xxx
25. Environmental and disposal liabilities (Note 16)	xxx	xxx
26. Benefits due and payable	xxx	xxx
27. Other (Notes 15, 16 and 17)	<u>xxx</u>	<u>xxx</u>
28. Total liabilities	x,xxx	x,xxx
29. Commitments and contingencies (Note 20)		
Net position:		
30. Unexpended appropriations – earmarked funds (Note 21)	xxx	xxx
31. Unexpended appropriations- other funds	xxx	xxx
32. Cumulative results of operations – earmarked funds (Note 21)	xxx	xxx
33. Cumulative results of operations – other funds	<u>xxx</u>	<u>xxx</u>
34. Total net position	\$ <u>x,xxx</u>	\$ <u>x,xxx</u>
35. Total liabilities and net position	\$ <u>x,xxx</u>	\$ <u>x,xxx</u>
The accompanying notes are an integral part of these statements.		

II.4.3.3 Assets

General Categories. Assets are tangible or intangible items owned by the Federal Government which have probable economic benefits that can be obtained or controlled by a Federal Government entity. The intragovernmental assets of an agency are separately reported on the face of the balance sheet. Non-entity assets, which may be intragovernmental or governmental (i.e., non-Federal), are separately disclosed in the footnotes. Entity, non-entity, and intragovernmental assets are defined below in accordance with SFFAS No. 1.

Entity Assets. These are assets that the reporting entity has authority to use in its operations. The authority to use funds in an entity's operations means that entity management has the authority to decide how funds are used, or management is legally obligated to use funds to meet entity obligations, e.g., repay loans from Treasury.

Non-Entity Assets. These are assets held by an entity but are not available to the entity. An example of non-entity assets is income tax receivables, which the Internal Revenue Service collects for the U.S. Government but has no authority to spend.

Combine entity and non-entity assets on the face of the balance sheet, e.g., entity intragovernmental accounts receivable and non-entity intragovernmental accounts receivable shall be combined and reported as a single intragovernmental accounts receivable line item on the face of the balance sheet. Disclose non-entity assets in a note to the financial statements (Note 2).

Intragovernmental Assets. These assets arise from transactions among Federal entities. These assets are claims of a Federal entity against other Federal entities. Report intragovernmental assets separately from transactions with non-Federal entities, the Federal Reserve, and government-sponsored enterprises (i.e., Federally chartered but privately owned and operated entities). The term "non-Federal entity" encompasses domestic and foreign persons and organizations outside the U. S. Government.

Fund Balance with Treasury. This is the aggregate amount of the entity's accounts with Treasury for which the entity is authorized to make expenditures and pay liabilities. This account includes clearing account balances and the dollar equivalent of foreign currency account balances.

Foreign currency account balances reported on the balance sheet shall be translated into U.S. dollars at exchange rates determined by the Treasury and effective on the financial reporting date.

To the extent that the reporting entity maintains fund balances in deposit, suspense, and clearing accounts that are not available to finance the entity's activities, those balances should be disclosed as non-entity assets. The fund balance which the entity is authorized to use shall be

disclosed by fund type in the notes to the financial statement; e.g., trust fund, revolving fund, etc. (Note 3)

Cash and Other Monetary Assets. Cash consists of: (i) coins, paper currency and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in transit for deposit; (ii) amounts on demand deposit with banks or other financial institutions; (iii) cash held in imprest funds; and, (iv) foreign currencies which, for accounting purposes, shall be translated into U.S. dollars at the exchange rate on the financial statement date. Other monetary assets include gold, special drawing rights, and U.S. Reserves in the International Monetary Fund. This category is principally for use by the Department of the Treasury. The amount of cash and other monetary assets the reporting entity holds and is authorized to spend is entity cash. The cash and other monetary assets a Federal entity collects and holds on behalf of the U.S. Government or other entities are non-entity cash and other monetary assets. The components of cash and other monetary assets shall be disclosed in the notes to the financial statement. (Note 4)

Investments. Investments in Federal securities shall be reported separately from investments in non-Federal securities. Investments in Federal securities include non-marketable par value Treasury securities, market-based Treasury securities, marketable Treasury securities, and securities issued by other Federal entities. Non-Federal securities include those issued by State and local governments, Government-Sponsored Enterprises, and other private corporations. Investments are normally reported at acquisition cost or amortized acquisition cost (less an allowance for losses, if any). The components of investments, including the market value of market-based and marketable Treasury securities, shall be disclosed (Note 5). (See SFFAS No. 1 for further information on investments in par value Treasury securities and in marketable and market-based Treasury securities expected to be held to maturity.) Effective FY 2006, reporting entities with material investments in Treasury securities attributable to earmarked funds must include in the required Note (Note 5) on Investments as described in SFFAS 27, paragraphs 27 and 28.

Accounts Receivable, Net. Federal entity claims for payment from other entities. Gross receivables shall be reduced to net realizable value by an allowance for doubtful accounts. Disclose the method(s) of calculating the allowance for doubtful accounts and the dollar amount of the allowance (Note 6).

Taxes Receivable, Net. Federal entity claims for taxes owed by the public. Gross receivables shall be reduced to net realizable value by an allowance for uncollectible taxes receivable. Disclose the method(s) of calculating the allowance for uncollectible taxes and the dollar amount of the allowance (Note 7).

Interest Receivable, Net. Interest income earned but not received as of the reporting date. Report interest receivable as a component of the appropriate asset accounts. No interest shall be recognized as revenue on accounts receivable and investments that are determined to be uncollectible, until the interest is actually collected. Accrued interest on uncollectible accounts

receivable, however, shall be disclosed until the requirement to pay interest is waived by the Federal Government or the related bad debt is written off.

Interest receivable related to pre-1992 and post-1991 direct loans and acquired defaulted guaranteed loans shall be reported as a component of loans receivable and related foreclosed property.

Direct Loan and Loan Guarantees, Non-Federal Borrowers. The net value of credit program receivables and related foreclosed property are considered an entity asset if, as provided by law or OMB Circulars, the entity has the authority to determine the use of the funds collected, or if the entity is legally obligated to use the funds to meet entity obligations, e. g., loans payable to Treasury. Disclose the components of this line in the notes to the financial statement (Note 8).

Receivable from Borrowings. When a loan guarantee program, which is generating negative subsidy, guarantees a loan and the lender has not disbursed the loan as of the balance sheet date, a proprietary receivable from borrowings shall not be reported. It is sufficient to report the undelivered order, which is recorded to obligate the funds, and the borrowing authority or unobligated balances to support the undelivered order.

Negative Subsidies and Downward Reestimates of Subsidy. Special fund receipt accounts for negative subsidies and downward subsidy reestimates are to be included in the credit reporting entity's financial statements. Any assets in the accounts are non-entity assets and are offset by intragovernmental liabilities covered by budgetary resources.

Inventory and related property, Net. Disclose additional information about each category below in the notes to the financial statement (Note 9).

CATEGORY	DESCRIPTION
Inventory	Tangible personal property that is (i) held for sale, including raw materials and work in process, (ii) in the process of production for sale, or (iii) to be consumed in the production of goods for sale or in the provision of services for a fee.
Operating materials and supplies	Tangible personal property to be consumed in normal operations.
Stockpile materials	Strategic and critical materials held due to statutory requirements for use in national defense, conservation or national emergencies. They are not held with the intent of selling in the ordinary course of business.
Seized property	Monetary instruments, real property, and tangible personal property of others, including illegal drugs, contraband, and

counterfeit items seized by authorized law enforcement agencies as a consequence of various laws, in the actual or constructive possession of a custodial agency.

Only seized monetary instruments shall be recognized as seized assets when seized and a liability shall be reported in Other Liabilities in an amount equal to the seized asset value. Seized property other than monetary instruments and additional information regarding seized property shall be disclosed.

Forfeited property

(i) Monetary instruments, intangible property, real property, and tangible personal property acquired through forfeiture proceedings; (ii) property acquired by the government to satisfy a taxpayer's liability; and (iii) unclaimed and abandoned merchandise.

Goods held under price support and stabilization programs

These goods are referred to as commodities. Commodities are items of commerce or trade having an exchange value.

General Property, Plant and Equipment, Net. SFFAS No. 6, as amended by SFFAS 11, 16, 23, and 29 defines general property, plant and equipment (PP&E) as: “Tangible assets that (1) have an estimated useful life of 2 or more years, (2) are not intended for sale in the ordinary course of business, and (3) are intended to be used or available for use by the entity.” SFFAS No. 6 also provides guidance for determining the cost of general PP&E acquired by purchase, capital lease, donation, devise, judicial process, exchange, forfeiture, or transfer from other Federal entities. Minimum disclosure requirements for general PP&E can be found in note 10.

General PP&E has one or more of the following characteristics:

- It is primarily used to produce goods or services, or to support the mission of the entity. But, it may be used for alternative purposes (e.g., by other Federal programs, State or local governments, or non-governmental entities), or
- It is used in a significantly self-sustaining activity which finances its continuing cycle of operations through the collection of revenue (business-type activities), or
- It is used by entities in activities whose costs can be compared to other entities performing similar activities.

For entities operating as business-type activities, all PP&E shall be categorized as general PP&E whether or not it meets the definition of other PP&E categories (e.g., heritage assets). Land and land rights acquired for or in connection with general PP&E shall be included in general PP&E.

Internal use software, whether commercial off-the-shelf, internally developed or contractor developed, shall be capitalized and depreciated if it meets the criteria of general PP&E. Refer to SFFAS No. 10 for further guidance on internal use software.

Depreciation shall be recognized on all general PP&E, except land and land rights of unlimited duration. The depreciation expense associated with the use of general PP&E is calculated through the systematic and rational allocation of the cost, less its estimated salvage/residual value, over the estimated useful life of the general PP&E.

Multi-use heritage assets are heritage assets predominantly used in general government operations (e.g., buildings, such as the main Treasury building which is used as an office building). The cost of acquisition, betterment, or reconstruction of multi-use heritage assets shall be capitalized as general PP&E and depreciated, with an appropriate footnote disclosure explaining that physical quantity information for the multi-use heritage assets is included in the Stewardship PP&E Note 11.

Stewardship PP&E. Stewardship PP&E consist of assets whose physical properties resemble those of general PP&E that are traditionally capitalized in financial statements. However, due to the nature of these assets, (1) valuation would be difficult and (2) matching costs with specific periods would not be meaningful. Yet the Federal Government should be able to demonstrate accountability over these assets by reporting on their existence and condition. Stewardship PP&E includes:

- **Heritage assets.** Heritage PP&E are PP&E that are unique for one or more of the following reasons: (1) historical or natural significance, (2) cultural, educational, or artistic importance, or (3) significant architectural characteristics. Heritage assets consist of (1) collection type heritage assets, such as objects gathered and maintained for exhibition; and (2) non-collection-type heritage assets, such as parks, memorials, monuments, and buildings. Heritage assets are generally expected to be preserved indefinitely.
- **Stewardship Land.** Stewardship land is land and land rights owned by the Federal Government but not acquired for or in connection with items of general PP&E. Examples of stewardship land include land used as forests and parks, and land used for wildlife and grazing.

SFFAS 29, Heritage Assets and Stewardship Land, was issued on July 7, 2005. The main focus of SFFAS 29 was the reclassification of heritage assets and stewardship land information as basic information with the exception of condition reporting, which is considered RSI. This standard requires entities reference a note on the balance sheet disclosing information about heritage assets and stewardship land, but no asset dollar amount should be shown. The note disclosure (Note 11) will provide minimum reporting requirements for heritage assets and stewardship land.

Other Assets. The "Other" assets category shall include assets not reported in a separate category on the face of the balance sheet. Reporting entities should disclose in the notes the amount and nature of categories of "Other" assets (Note 12).

Examples of "Other" Assets may include, but are not limited to, advances and prepayments. Advances are cash outlays made by a Federal entity to its employees, contractors, grantees or others to cover a part or all of the recipients' anticipated expenses or as advance payments for the costs of goods and services the entity receives. Prepayments are payments made by a Federal entity to cover certain periodic expenses before those expenses are incurred. Progress payments on work in process are not to be included in advances and prepayments.

II.4.3.4 Liabilities

General Categories. A liability is a probable future outflow or other sacrifice of resources as a result of past transactions or events. Financial statements shall recognize probable and measurable future outflows or other sacrifices of resources arising from (1) past exchange transactions, (2) government-related events, (3) government-acknowledged events, or (4) nonexchange transactions that, according to current law and applicable policy, are unpaid amounts due as of the reporting date. SFFAS No. 5 describes the general principles governing the recognition of a liability.

Liabilities shall be recognized when they are incurred regardless of whether they are covered by available budgetary resources. This includes liabilities related to appropriations canceled under "M" account legislation (P.L. 101-510, Sec.1405).

Liabilities of Federal agencies are classified as liabilities covered or not covered by budgetary resources. The intragovernmental liabilities of an agency are separately classified on the face of the balance sheet. These terms are defined below in accordance with SFFAS No. 1.

Liabilities Covered by Budgetary Resources. Liabilities incurred which are covered by realized budgetary resources as of the balance sheet date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Available budgetary resources include: (1) new budget authority, (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, (3) spending authority from offsetting collections (credited to an appropriation or fund account), and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations. Liabilities are considered covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the balance sheet date, provided that the resources may be apportioned by OMB without further action by the Congress and without a contingency having to be met first.

Liabilities Not Covered by Budgetary Resources. This category is for liabilities which are not considered to be covered by budgetary resources, as provided in the previous paragraph.

Combine liabilities covered by budgetary resources with liabilities not covered by budgetary resources on the face of the balance sheet, e.g., intragovernmental accounts payable covered by budgetary resources and intragovernmental accounts payable not covered by budgetary resources shall be combined and reported as a single intragovernmental accounts payable line item on the face of the balance sheet. Disclose liabilities not covered by budgetary resources in a note to the financial statements (Note 13).

Intragovernmental Liabilities. These liabilities are claims against the entity by other Federal entities. Report intragovernmental liabilities separately from claims against the reporting entity by non-Federal entities, including government-sponsored enterprises, and the Federal Reserve System.

Accounts Payable. The amounts owed by the reporting entity for goods and services received from other entities, progress in contract performance made by other entities, and rents due to other entities.

Interest Payable. Interest incurred but unpaid on liabilities of the reporting entity. Report interest payable as a component of the appropriate liability accounts.

Liabilities for Loan Guarantees. For post-1991 loan guarantees, the present value of the estimated net cash flows to be paid as a result of loan guarantees. For pre-1992 loan guarantees, the amount of known and estimated losses to be payable. Disclose the components of the line in the notes to the financial statement (Note 8).

Negative Loan Guarantee Liability. When the total loan guarantee liability for all credit programs of a reporting entity is negative, it should be reported as an asset. If a loan guarantee liability is the result of both positive and negative amounts for the various components, the total will be shown as a liability, and negative components disclosed.

Debt. Amounts borrowed from the Treasury, the Federal Financing Bank, other Federal agencies, or the public under general or special financing authority (e.g., Treasury bills, notes, bonds and Federal Housing Administration debentures). The components of debt shall be disclosed in the notes to the financial statement (Note 14).

Federal Employee and Veteran Benefits. Entities responsible for accounting for pensions, other retirement benefits (e.g., health benefits for retirees), and other post-employment benefits should calculate and report these liabilities and related expenses in accordance with SFFAS No. 5. Liabilities for Federal employee and veteran benefits include the actuarial portion of these benefits. They do not include liabilities related to ongoing continuous expenses such as employees' accrued salary and accrued annual leave, which are reported in the Other liabilities line item. Disclose in the notes to the financial statements the actuarial liabilities, assumptions used to compute the actuarial liabilities, and the components of expense for the period for pensions, other retirement benefits, and other post-employment benefits (Note 15).

Environmental and Disposal Liabilities. SFFAS No. 5 provides criteria for recognizing a contingent liability, which shall be applied to determine if cleanup costs should be recognized as liabilities and/or disclosed in the notes. SFFAS No. 6 supplements the liability standard by providing guidance for recording cleanup costs related to general PP&E and stewardship PP&E used in Federal operations. The guidance applies to cleanup costs from Federal operations known to result in hazardous waste which the Federal Government is required by Federal, State and/or local statutes and/or regulations to cleanup. Depending on the materiality of the amount, the liability for cleanup costs may be displayed separately or included with Other liabilities. The footnote disclosures required for liabilities (Note 16) associated with cleanup costs are described in SFFAS No. 6.

Benefits Due and Payable. These are amounts owed to program recipients or medical service providers as of the balance sheet date that have not yet been paid. These amounts include payables by the Federal entity for benefits, goods, or services provided under the terms of a benefits program (other than Federal employee and veteran benefits programs), whether or not such amounts have been reported to the Federal entity (e.g., estimated payments due to health providers for services that have been rendered and that will be financed by the Federal entity but have not yet been reported to the Federal entity). Benefit programs reported on this line item include, but are not limited to, Federal Old-Age and Survivors Insurance, Federal Hospital Insurance (Medicare Part A), Federal Supplementary Medical Insurance (Medicare Part B), Grants to States for Medicaid, Federal Disability Insurance, Supplemental Security Income, Railroad Retirement, Unemployment Insurance, and Black Lung.

Other Liabilities. This line item covers liabilities not recognized in specific categories. It includes (but is not limited to) liabilities related to: capital leases, insurance, advances and prepayments, deposit fund amounts held in escrow, and accrued liabilities related to ongoing continuous expenses such as Federal employee salaries and accrued employee annual leave. This item also covers adjudicated losses due to litigation, claims and contingencies. Clean up costs are reported as “Other Liabilities” if they are not material to the balance sheet. Clean up costs that exceed the materiality threshold are reported separately as “Environmental and Disposal Liabilities.”

Separate reporting of items normally characterized as “Other Liabilities” is appropriate if the amounts are significant to the balance sheet. Disclose the items within this line and any additional information necessary to understand the liabilities in the notes to the financial statement (Note 17).

Lease Liabilities. This item is the liability for capital leases. Report the lease liability as a component of the Other Liabilities line item on the balance sheet and disclose the components of and other information about the capital lease liability in a separate footnote (Note 18). According to OMB Circular No. A-11 *Preparation and Submission of Budget Estimates*, capital leases entered into during FY 1992 and thereafter are required to be fully funded in the first year of the lease (Appendix B, Summary Table following Section 1d).

Insurance Liabilities. Report insurance liabilities as a component of the Other Liabilities line item on the balance sheet and disclose insurance liabilities in a separate footnote (Note 19). Entities with Federal insurance and guarantee programs, except social insurance and loan guarantee programs, shall recognize a liability for unpaid claims incurred, resulting from insured events that have occurred as of the reporting date. The amount recognized is the liability known with certainty plus an accrual for a contingent liability recognized when an existing condition, situation, or set of circumstances involving uncertainty as to possible loss exists and the uncertainty shall ultimately be resolved when one or more future events occur or fail to occur, a future outflow or other sacrifice of resources is probable, and the future outflow or sacrifice of resources is measurable. Life insurance programs shall recognize a liability for future policy benefits in addition to the liability for unpaid claims incurred.

Commitments and Contingencies. A loss contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an entity. The uncertainty should ultimately be resolved when one or more future events occur or fail to occur. A contingent liability should be recorded when a past event or exchange transaction has occurred; a future outflow or other sacrifice of resources is probable; and the future outflow or sacrifice of resources is measurable. (SFFAS No. 5, as amended by SFFAS No. 12) In addition to the contingent liabilities required by SFFAS No. 5, the following shall also be disclosed: (1) an estimate of obligations related to canceled appropriations for which the reporting entity has a contractual commitment for payment, and (2) amounts for contractual arrangements which may require future financial obligations (Note 20). Additional information related to commitments and contingencies:

- Definition of the terms “probable” and “measurable” are provided in SFFAS No. 5.
- In regard to pending or threatened litigation and unasserted claims, the contingent liability would be recognized when the future outflow or other sacrifice of resources is “likely to occur” (SFFAS No. 12); the other criteria for recording a contingent liability remain unchanged.
- A contingency exists for clean up costs related to stewardship PP&E; probable and measurable liabilities shall be recognized when the stewardship PP&E is placed in service. (SFFAS No. 5 and 6 and TR No. 2)
- Examples of claims or other contingencies include: (1) indemnity agreements – reimbursements due to licensees or contractors for losses incurred in support of Federal activities; (2) claims against the Federal Government that are in process of judicial proceedings; (3) the unfunded portion of total liabilities to international organizations; and (4) litigation addressing claims for equity relief or non-monetary judgments – claimants are seeking specific actions by a Federal agency.

II.4.3.5 Net Position

The components of net position are classified as follows:

Unexpended Appropriations. This amount includes the portion of the entity's appropriations represented by undelivered orders and unobligated balances. The amount of unexpended appropriations reported on the balance sheet should equal the amount of unexpended appropriations reported on the SCNP. Unexpended appropriations attributable to earmarked funds, if material, should be shown separately on the face of the balance sheet and should be equal to the unexpended appropriations shown in the earmarked funds note disclosure. (Note 21)

Cumulative Results of Operations. The net results of operations since inception plus the cumulative amount of prior period adjustments. This includes the cumulative amount of donations and transfers of assets in and out without reimbursement. The amount of cumulative results of operations reported on the balance sheet should equal the amount of cumulative results of operations reported on the SCNP. Cumulative results of operations attributable to earmarked funds, if material, should be shown separately on the face of the balance sheet, and should equal the cumulative results of operations shown in the earmarked funds note disclosure, in accordance with the provisions of SFFAS 27. (Note 21)